



TO: BOARDS OF ASSESSORS
FROM: CHRISTOPHER R. WILCOCK, CHIEF, BUREAU OF LOCAL ASSESSMENT
DATE: JUNE 14, 2023
TOPIC: CERTIFIED PIPELINE VALUATIONS
FISCAL YEAR 2024

The Commissioner of Revenue has determined and hereby certifies the full and fair cash valuation of taxable pipelines used for the transmission of natural gas, petroleum or their products or by-products with a distance of twenty-five miles or more as of January 1, 2023. These valuations are certified for fiscal year 2024 under Massachusetts General Laws Chapter 59, Section 38A. The property owner or the board of assessors may appeal the valuations to the Appellate Tax Board (ATB) on or before July 15, 2023¹.

Taxable Properties

The Commissioner values only those designated pipeline assets that are taxable under the General Laws. Pipeline companies doing business as corporations, or as partnerships, trusts, limited liability companies (LLCs) or other unincorporated entities treated as corporations for federal income tax purposes, are subject to central valuation and local taxation on poles, wires, underground conduits, pipes and machinery used to provide pipeline service, including Federal Energy Regulatory Commission's (FERC) Uniform Code of Accounts - 368 (compressor station equipment), 369 (measuring and regulating station equipment), 370 (communication equipment) and 371 (other equipment). M.G.L. c. 59, § 18, Second and M.G.L. c. 59, § 5, cl. 16(2). Pipeline companies organized and filing federally as partnerships, trusts, LLCs or other unincorporated legal entities are also subject to central valuation and local taxation on any other machinery, equipment and personalty used to provide pipeline service. M.G.L. c. 59, § 38A; M.G.L. c. 59 § 18, First and Sixth. See also RCN-BecoCom, LLC v. Commissioner of Revenue, 443 Mass. 198 (2005). The Commissioner also values taxable pipeline personal property that is construction work in progress (CWIP) or owned but not necessarily in service. Verizon New England, Inc. v. City of Boston, 81 Mass. App. Ct. 444 (2012).

Company Local Filing Requirements

With respect to **local filing requirements**, pipeline companies organized and filing federally as partnerships, trusts, LLCs or other unincorporated legal entities are not entitled to any corporate property tax exemptions. M.G.L. c. 59, § 5, cl. 16; M.G.L. c. 63, §§ 30(1), 30(2), 38A and 68C. The Department of Revenue's Bureau of Local Assessment has received FY2024 pipeline data and a listing of all machinery, equipment and other personalty used for pipeline purposes from Algonquin Gas Transmission, LLC, Maritimes & Northeast Pipeline, LLC and Tennessee Gas Pipeline Company, LLC. Except for the centrally valued pipeline property, they are subject to local valuation on all other taxable personal property situated in the community.

¹ See G.L. c. 4, § 9 ("Except as otherwise provided, when the day or the last day for the performance of any act, including the making of any payment or tender of payment, authorized or required by statute or by contract, falls on Sunday or a legal holiday, the act may, unless it is specifically authorized or required to be performed on Sunday or on a legal holiday, be performed on the next succeeding business day.")

For the gas pipeline companies, in past years, CWIP was reported and valued as part of the system Utility Plant and not reported separately for Massachusetts. Since FY16, the companies were able to identify and separately report the Massachusetts CWIP. The CWIP is valued and the growth is part of the total growth reported. For FY24, the CWIP growth from FY23 was backed out of this year's calculation to avoid being doubled counted.

Pipeline Company Issues

The following describes changes from the prior valuation year:

1. *Algonquin Gas Transmission, LLC* has reported an increase in their Utility Plant Assets on their FERC (Federal Energy Regulatory Commission) Form No. 2 that was filed for end of year 2022. Allocation of Massachusetts' share of the national system is derived from this amount and the company's return that is submitted to BLA. This resulted in an increase in the assessment for FY2024.
2. *Maritimes & Northeast Pipeline, LLC* has reported a decrease in their Net Utility Plant on their FERC (Federal Energy Regulatory Commission) Form No. 2 that was filed for end of the year 2022. This resulted in a decrease in assessment for FY2024.
3. *Tennessee Gas Pipeline Company, LLC* has reported a decrease in their Net Utility Plant on their FERC (Federal Energy Regulatory Commission) Form No. 2 that was filed for end of the year 2022. This resulted in a decrease in assessment for FY2024.
4. *Buckeye Pipe Line Company, LP*: The pipeline has been idled since it was acquired from Exxon in May of 2015. Since then, the Commissioner has valued with significant obsolescence and will until the pipeline is fully abandoned by Buckeye. For FY2024, additional obsolescence has been applied resulting in a decrease in assessment.

New Growth

1. *Algonquin Gas Transmission, LLC* has additional pipeline, machinery, and equipment assets and CWIP reported for FY24. The majority of the FY24 growth is attributed to upgrades in pipeline assets and Weymouth Compressor Station.
2. *Maritimes & Northeast Pipeline, LLC* has CWIP reported for FY24.
3. *Tennessee Gas Pipeline Company, LLC* has additional pipeline, machinery, and equipment assets and CWIP reported in FY24. The growth and CWIP for FY24 is primarily due to work associated with the 261 Upgrade Project in Agawam and the Longmeadow Meter Station.

Company List and Addresses

Centrally valued pipeline company billing names and addresses as reported by the companies are posted on our [website](#) for your convenience.

Questions regarding valuations may be directed to Stephen Sullivan at (617) 626-2393 or email at sullivanst@dor.state.ma.us